

RENEWABLE RESOURCE PROJECTS
CRITERIA FOR TECHNICAL AND ECONOMIC FEASIBILITY REVIEW
BY THE DEPARTMENT OF WATER RESOURCES

TO BE ELIGIBLE, PROJECTS MUST:

1. Be conducted within the state of Idaho.
2. Be consistent with the State Energy Plan.
3. Demonstrate the ability to conserve energy through the utilization of renewable energy resources, which results in energy savings based upon a net reduction or displacement of non-renewable resources.
4. Utilize existing, reliable technologies.
5. Meet federal and state air and water quality standards.
6. Direct grid-tied systems are subject to utility interconnect agreements and safety requirements.

PROJECTS MAY:

1. Be for new or existing structures or energy-using systems.
2. Include solar energy, wind power, water power, geothermal energy and biomass resources. Biomass refers to any organic matter, which is available to be used as fuel on a renewable basis, including forest residues, agricultural crops and wastes, wood and woodwastes, animal wastes and municipal solid and liquid wastes.
3. Utilize renewable resources in new construction for the commercial/industrial, agricultural, governmental and schools, hospitals and health care facilities sectors.
4. Include installation of renewable resource energy projects in new homes. For space heating, renewable resources must be the primary source of heat.
5. Include cogeneration projects, which utilize renewable resources as long as all the energy produced is used by the producer.
6. Not utilize program funds to take advantage of an interest rate lower than one on an existing permanent loan (no refinancing) nor pay for measures already in progress or completed.

ADDITIONAL LOAN CRITERIA INCLUDE:

1. The loan minimum for the residential and commercial/industrial sectors is \$1,000; there is no minimum loan amount for the agricultural, governmental, and schools, hospitals, and health care facilities sectors.
2. The maximum loan amount is \$15,000 for the residential sector and \$100,000 for commercial/industrial, agricultural, governmental, and schools, hospitals and health care facilities sectors.
3. Interest rate on loans is 4%.
4. The applicant must complete the loan application process and begin installation of renewable resource projects within 90 days following approval of project by the Department. Failure to do this will result in revocation of the loan and require submission of a new application to the Department.
5. Repayment of the loan is 5 years or less.
6. Water rights information must be provided for ascertaining legal compliance with water rights requirements, where applicable.
7. Renewable energy systems for use in on-grid systems are based on a 15-year

- payback analysis.
8. Renewable energy systems for use in off-grid are required to be the least cost alternative of available energy resources.
 9. Direct grid-tied residential PV systems are excluded from the fifteen-year payback analysis required of other renewable systems. No funds will be loaned on direct grid-tied systems using batteries or battery-related equipment.

INELIGIBLE PROJECTS:

1. Projects, which are energy-for-sale or energy-commodity-for-sale projects (solar collectors, PV modules, windmills, ground source heat pumps, etc.) are not eligible. Applicants must be the direct user of energy produced from projects funded by this program.
2. Vacation homes are not eligible.

LOAN APPLICATION PROCESS:

1. Complete and return application form to the Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098.
2. Department staff will review the project for economic and technical feasibility.
3. Applicants will be notified in writing of projects' approval or denial.
4. The Department will refer residential and commercial/industrial applicants whose projects are approved to the financial institution selected by the applicant for credit checks. The financial institution will notify the applicant and the Department whether credit was approved or denied. If approved, the financial institution will contact the applicant to sign the loan documents.
5. Applicants in the agricultural sector must provide financial information as requested by the Department at the time the project application is submitted. A list of information necessary to determine creditworthiness will be provided.
6. All loans will be secured with collateral. In most cases a UCC-1 fixture filing will be used. In some cases, a deed of trust (second mortgage) may be used. Additional collateral may be required to secure the loan.
7. The Department **will not** subordinate its lien position to any creditor.
8. Invoices for projects totaling \$15,000 or more must be submitted to the Department. The installed project (invoice) must match the application project (bid) before funds will be disbursed.
9. For approved agricultural, governmental and schools, hospitals and health care facilities loans, payment amounts and schedules will be calculated and promissory notes and necessary security agreements will be provided for applicants' signatures. Applicants will be paid directly by the Department.

OTHER CHANGES MAY OCCUR AS NECESSARY.

Revised and effective November 8, 2004.